

### G. PROVIDER CONTRACTING

All Medi-Cal providers shall adhere to the Managed Care Contract executed between San Diego County and the California State Department of Mental Health. As outlined in that contract, Medi-Cal contractors are prohibited from subcontracting with a "legal entity" as defined in the California State Medicaid Plan for Short-Doyle/Medi-Cal services. The California State Medicaid plan defines legal entity as each county mental health department or agency and each of the corporations, partnerships, agencies, or individual practitioners providing public mental health services under contract with the county mental health department or agency. The prohibition on subcontracting does not apply to providers and their relationships with vendors such as nursing registries, equipment, part-time labor, physicians, etc. Such providers do not meet the legal entity definition cited above. The legal entity concept prohibits a county from contracting with a legal entity to provide Short-Doyle/ Medi-Cal services that in turn contracts with another legal entity to provide Short-Doyle/Medi-Cal services.

All non-County-operated organizational providers must contract with the County of San Diego in order to receive reimbursement for Specialty Mental Health Services. Please read your contract carefully. It contains:

- General terms applicable to all contracts;
- Special terms specific to a particular contract;
- A description of work or services to be performed;
- Budget schedules; and
- Statutes and/or regulations particular to the Medi-Cal managed mental health care programs as well as programs supported by other funds.

All contracted providers will be expected to adhere to these requirements. Please contact the Mental Health Services Contract Administration Unit (CAU) at 619-563-2733 if you have any questions regarding your contract.

#### Contractor Orientation

All new contracts require a contractor orientation meeting within 45 days of contract execution. Agency Contract Support shall, in conjunction with the Mental Health Contract Team, be responsible for contractor orientation. Contractor will designate a contact person to coordinate attendance of necessary contractor staff at the orientation.

#### NOTE!

Please read your contract carefully and keep it in a place where you can refer to it easily.

If you have any questions regarding your contract, please contact the Mental Health Services Contract Administration Unit at 619-563-2733.

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### Monthly Status Reports

Contracted providers are required to submit a completed Monthly Status Report (MSR) within 15 calendar days after the end of the report month. The MSR may require the submission of additional forms such as NOA Logs, which should be submitted by fax rather than e-mail due to confidentiality requirements.

For the report months of July and December, the MSR includes the submission of a cultural competency report (CCR) Form. The MSR will be considered incomplete if submitted without a CCR.

Please see Quick Reference Section of the Handbook for samples of the MSR, Suggestion and Provider Transfer Request Log, (Section O, Attachments 15, 16, and 17) Cultural Competency Report and NOA (Section O Attachments 4 and 5) forms.

### Site Visits

The County MHP will conduct, at a minimum, an annual site visit to all organizational providers. The County MHP includes MHS Program Monitor/Designee, MHS CAU, MHS Quality Improvement (QI) Unit, and the Health and Human Services Agency (HHSA) Contract Support. The site visit may include, but is not limited to a review of:

- Compliance with contractual statement of work;
- Client medical records (where applicable);
- Building and safety issues;
- Staff turnover rates;
- Insurance, licensure and certification documentation;
- Request for Services and Suggestion and Provider Transfer Logs;
- Fiscal and accounting policies and procedures;
- Compliance with standard terms and conditions.

Information from the site visit will be included in the contract monitoring process. For Medi-Cal providers, the site review is due at least annually. When a re-certification is due, the annual site review will be completed with the re-certification. Please see the *Quality Improvement Program* section of this handbook for a more detailed discussion of Medi-Cal provider site visits.

An additional note: Contractor's Program Manager shall be available during regular business hours and respond to the Program Monitor or Designee within 2 work days. Contractor shall have the technological capability to communicate, interface and comply with all County requirements electronically using compatible systems, hardware and software.

### Corrective Action Notice

Corrective Action Notice (CAN) is a tool identifying deficiencies in compliance with contractual obligations and requires corrective actions within a specified time frame. A CAN may result from site visits or information derived from reports. Contractors are required to respond to the CAN specifying course of actions initiated/implemented to comply within the specified time frame.

### Notification in Writing of Status Changes

You are required to notify the Mental Health Services (MHS) Contract Administration Unit (CAU) in writing if any of the following changes occur:

- Change in office address, phone number or fax;
- Addition or deletion of a program site;
- Change of tax ID number or check payable name;
- Additions or deletions from your roster of Medi-Cal billing personnel; or
- Proposed change in Program Manager or Head of Service

### Contract Issue Resolution

Issues, problems or questions about your contract should be addressed to:

Contracting Officer's Technical Representative (COTR)

Mental Health Services

Contract Administration Unit (P531K)

P O Box 85524

San Diego, CA 92186-5524

### Disaster Response

- In the event that a local, state, or federal emergency is proclaimed within San Diego County, contractors shall cooperate with the County in the implementation of the Mental Health Services Disaster Response Plan. Response may include staff being deployed to provide services in the community, out of county under mutual aid agreements, in shelters and/or other designated areas.
- Contractor shall provide CHMS with a roster of key administrative personnel's after-hours phone numbers, pagers, and/or cell phone numbers to be used in the event of a regional emergency or local disaster. These numbers will be held confidential and never given out to other than authorized personnel.

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### CLAIMS AND BILLING FOR CONTRACT PROVIDERS

#### Contractor Payments

Contractors will be paid in arrears. After the month for which service has been given, the MHS CAU will process claims (invoice) in accordance with the contract terms.

#### Budgets, Cost Reports and Supplemental Data Sheets and Claims (Invoice)

Budgets, cost reports, supplemental data sheets, and claims (invoice) must comply with the established procedures in:

- The Contract;
- State of California, Department of Mental Health, Cost Reporting/Data Collection Manual, Dated July 1989.

Quarterly Cost Reports are due by October 31, January 31, and April 30.  
Year End Cost report is due by August 31

#### Submitting Claims (Invoice) for Services

Please submit all claims (invoice) for payment to:

Mental Health Services  
Contract Administration Unit (CAU) (P531K)  
P O Box 85524  
San Diego, CA 92186-5524  
Fax: (619) 563-2730, Attn: Lead Fiscal Analyst

#### Overpayment

In the event of overpayments, excess funds must be returned or offset against future claim payments.

### SHORT-DOYLE MEDI-CAL

Per Cost Reporting/Data Collection Manual the “policy of the State Agency is that reimbursement for Short-Doyle Medi-Cal services shall be limited to the lowest of published charges, Statewide Maximum Allowances (SMA), negotiated rates or actual costs if the provider does not contract on a negotiated rate basis.”

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### Definitions

**Provider** means the program providing Short-Doyle Medi-Cal services. It is part of a legal entity on file with the State Department of Mental Health.

**Published Charge or Published Rate** is a term used in CFR Title 42 to define provider cost reimbursement mechanisms from third party sources. This generally means that customary charges throughout the year should be as close to actual (cost) as possible to avoid a lesser of costs or charges audit exception circumstance.

Published rates for services provided by organizational providers must be updated at the beginning of each fiscal year to ensure the County's MIS has the accurate information as well as ensuring no potential loss of Medi-Cal revenue.

The published rate for a specific service should, at a minimum, reflect the total cost for providing that service to ensure no loss of Medi-Cal revenue.

Published rates are to be submitted to United Behavioral Health and MHS CAU no later than June 14 of each year.

**Statewide Maximum Allowances (SMA)** are upper limit rates established for each type of service, for a unit of service. SMA is an annual rate for reimbursement of a SD/MC unit of service.

**Negotiated Rate** is a fixed prospective rate subject to the limitations of rate setting requirements.

**Actual Cost** is reasonable and allowable cost based on year-end cost reports and Medicare principles of reimbursement per 42 CFR Part 413 and HCFA Publication 15-1.

**Federal Financial Participation** per Title 9 CCR Chapter 11 means the federal matching funds available for services provided to Medi-Cal beneficiaries under the Medi-Cal program.

### Medi-Cal Revenue

MIS will bill Medi-Cal for covered services provided to Medi-Cal beneficiaries by Short-Doyle Medi-Cal certified programs. For services that do not clear the billing edits, the State will issue Medi-Cal Error Correction Reports (ECRs) to the MHP's agent, United Behavioral Health (UBH). UBH will mail the ECRs to the appropriate providers. Providers need to make the necessary corrections to the ECRs and resubmit them to UBH within ten (10) business days at the following address:

UBH Financial Management Unit  
3111 Camino Del Rio North, Suite 500  
San Diego, CA 92108

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### Medi-Cal Disallowance

County Mental Health Services and/or the State Department of Mental Health Services may schedule an on-site visit at any time to audit the Short-Doyle/Medi-Cal client records and documentation of compliance with Title 9 regulations, and to identify unwarranted payments for Short-Doyle/Medi-Cal services. It shall be the policy (Recoupment Based on Medical Record Review; No: 01-01-125) of County of San Diego Mental Health Services to disallow billing by Organizational, Individual and Group providers that does not meet the documentation standards set forth in the Uniform Clinical Record Manual and to recoup Federal Financial Participation (FFP) in accordance with the current County and California State DMH Reasons for Recoupment of Federal Financial Participation Dollars, Non-Hospital Services. (See Section O, Attachment 8 for current FY criteria).

Contractor shall reimburse CMHS for any disallowance of Short-Doyle/Medi-Cal payments, and reimbursement shall be based on the disallowed units of service at the Contractor's approved budgeted unit cost. The Federal share of the Medi-Cal claims for the above circumstances will be deducted from your contract payment.

In FY 04-05, the State announced that the State (non-Federal) share of EPSDT claims will also be subject to recoupment if any current or new recoupment criteria issued by the Department of Mental Health are met.

### Provider Self Reporting of Billing Disallowances

Providers are required to conduct an internal review of medical records on a regular basis in order to ensure that the documentation meets all County, State and Federal standards and the billing is substantiated. If the review of a Medi-Cal client's chart results in a finding that the clinical documentation does not meet the documentation standards as set forth in the current California DMH, Reason for "Recoupment of Federal Financial Participation Dollars (FFP)," the provider shall be responsible for addressing the issue by filing a Provider Self Reported Disallowance Claim form with San Diego County Mental Health (SDCMH) Administration. The procedure for submitting the form is as follows:

1. To file a Provider Self Reported Disallowance Claim form with SDCMH, providers shall fill out the form and e-mail the form to [Sheryl.taylor@sdcounty.ca.gov](mailto:Sheryl.taylor@sdcounty.ca.gov) and indicate if they would like to receive verification that the claims were disallowed.
2. To correctly complete the Provider Self-Report Billing Disallowance form, providers must note on the form under the column labeled Service Deletion<sup>2</sup> whether the services noted as billing disallowances need to be deleted in InSyst. To determine which services should be noted as a service deletion, see the attachment titled Provider Actions for Billing Disallowances and Service Deletions (Section O, Attachment 18). Service

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deletions will be forwarded to UBH to be entered into InSyst. Please note: Providers are responsible for re-entering corrected billing or entering non-billable service for services that are identified as service deletion or billing disallowance.

3. The services noted on the form shall be entered into the State Disallowed Claims System (DCS). If the services are found, the system will disallow. Services that are not found in the DCS will be noted on the Provider Self-Reported Disallowance Claim form and communicated to the provider for follow-up and resolution.
4. For items that are not found in the DCS: Providers shall review their Provider Self-Report Billing Disallowance form for errors and re-send a corrected form if errors are identified.
  - Items that have not yet billed to Medi-Cal will not be listed in the DCS.
  - Items that have been billed to Medi-Cal which had errors as noted on the Error Correction Report (ECR) will not be listed in the DCS.
5. For services that were disallowed, the DCS automatically creates an invoice report containing the amount of SD/MC, FFP and EPSDT dollars that will be recouped. As noted above, any provider who would like verification that the claims were disallowed shall indicate in the e-mail to [Sheryl.taylor@sdcounty.ca.gov](mailto:Sheryl.taylor@sdcounty.ca.gov).

DMH conducts annual EPSDT reviews and sends out DMH notices indicating timelines available to remove billings from the DCS so those claims will not be reviewed during the audit. In order to remove billings prior to the EPSDT review, providers must send the Self-Report form two days prior to the last day noted in the DMH notice for the time period that is being reviewed. Items sent after the deadline will not be removed from the EPSDT review and will be subject to recoupment.

### Billing Inquiries

Questions regarding claims (invoice) for payment should be directed in writing to:

Mental Health Services  
Contract Administration Unit (P531K)  
P O Box 85524  
San Diego, CA 92186-5524  
Attn: Lead Fiscal Analyst

Questions can also be addressed by calling the Lead Fiscal Analyst at 619-563-2722.